

How to Start and Run Your Own TV Network* *and why it's so important

by Michael Rosenblum



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Quick Guide:

In this guide I am going to show you how you can start and run your own TV network or station, as well as make it generate income for you.

This is now entirely possible, and more people are doing this now. In the following pages I am going to explain:

- 1. Why this is now possible.
- 2. How to get started.
- 3. How to create content.
- 4. How much content you will need.
- 5. How to tap into the public to make them part of your new network.
- 6. How to make money with your network.

DID YOU KNOW?

TheVJ.com will teach you all the skills you will need to create content for your TV channel, and we will help you every step of the way.



YOU CAN DO THIS



If you told me that you wanted to start your own TV channel or TV station a few years ago, I would have told you it was possible — if you had about \$500 million.

Because that's what it cost.

Minimum.

I know this because I have started up a few TV stations and channels in my time.

But now, things have changed thanks to the convergence of two pieces of technology — the Internet and Smartphones.



FIRST, THE INTERNET



The greatest problem (and the greatest value) of a TV network was that you could put your content (and advertising) directly into people's homes. That was the power of the medium and was what made it so valuable.

In the 'olden days' the only way to get your content into people's homes was either to get an FCC broadcast license (and they stopped giving those out in the 1950s), or to own one of the cable channels that the MSOs (Major System Operators) like Time/Warner or Verizon owned. You went in on someone else's cable.

The Internet, however, suddenly changed everything...



The Internet put your content (and everyone else's) into everyone's home (and everywhere else) for free. This was clearly a radical change in the business, making it possible for anyone to get their content into about 3 billion homes — online worldwide — for almost no cost.

The other barrier to entry that came down was the cost of creating programming.

Shooting, editing, and producing television content used to be both complex and expensive: highly trained professional video gear for broadcast could cost hundreds of thousands of dollars. Then it had to be edited. A professional conform edit suite could run as much as \$10 million and needed an extremely highly training professional to run it.

The advent of the smartphone changed all that in an instant.

Your phone actually contains about \$10 million worth of broadcast video and TV gear and it is now so simple to use that anyone can learn to operate it.

So there you have it. Access to 3 billion homes and all the production gear you need.



How to Get Started



Because the barriers to entry have been removed, you are going to want to focus your prospective station or network on a very specific group of people.

When TV networks first started, they tried to be all things to all people, at least in terms of content, because they were the only game in town.

So a network would do sports, and news, and entertainment, and food, and pretty much everything else they could think of, but not in a lot of detail.



When cable came around in the 1980s, the first cable channels tried to mimic the broadcast networks, and also offer everything under one label. But soon they learned to focus their identity and become increasingly specific. Thus you got The Food Network, The Cooking Channel, ESPN, Animal Planet, Travel Channel, and so on.

That was a kind of specialization that reflected a world of 500 channels instead of two or three. Now, when we go online, we are in a world of quite literally, millions of channels — so you want to get very specific in order to own a specific space and a specific and dedicated audience.

As you are going to spend a LOT of time working with the content, you should select a topic that you personally find interesting and that you have a particular passion for (and knowledge of).







Thus, topic specific channels like The Bread Baking Network or The Fly Casting Network or Running are all reasonable ideas.

If you want a sense of the very wide possibilities for what we might call focused networks, just go to a large magazine store. Check out the titles, because magazines long ago were in the space that the world of online video finds itself in now — competition. Take a look at the multiplicity of titles that speciality magazines offer — Salt Water Fisherman, Woodworking, Wooden Boat — there are thousands of them. And guess what, they all make a profit (or they would not be there on the shelf).

If you are in a business, it would serve a lot of purposes if you were to create a network or a channel that reflected and enhanced your business. Thus, if you have a shoe store, you should create a shoe related channel. If you're a baker, you should create a baking related channel. If you own a restaurant, you are going to want to create a food related website.



A Case Study

Boxing and the Birth of a New Medium



Here's a great example of how two guys decided to bypass conventional broadcasters, use the web as their platform and make a fortune for themselves. Now, as you will see, this is not for everyone, but it sure gives a clear indication of where things are headed.



On July 21, 1921, Jack Dempsey, the heavyweight champion of the world, also known as the Manassa Mauler was scheduled to fight Georges Carpentier, the French champion, also known as The Orchid.

On August 26, 2018, YouTube stars KSI and Paul Logan faced off in a boxing match in Manchester, England.

These two seemingly unrelated events in sports, nearly 100 years apart, are actually more significant in the world of new media than they are in the world of sports.

Dempsey and Carpentier were the heavyweight champs of the world, and their match was an extremely big event (see photo above). All 80,000 seats at the Jersey City Arena were sold out. It was the first million-dollar gate in boxing history and it was the first professional fight to which women were allowed to attend. That made it historic enough, but there is one more historical point to add, and perhaps the most significant.

KSI and Paul Logan are YouTube personalities. They are not professional boxers. They have no established heavyweight world standing. They have no professional standing at all. But their fight in Manchester filled the house with 15,000 tickets sold.



At the time of the Dempsey fight in 1921, David Sarnoff, a young entrepreneur in the then very embryonic medium of radio had an idea. As it happened, there was also a wireless convention happening in New York City at the time, and as an experiment, it was decided that the fight could also be broadcast on the new radio. The question was, would anyone want to listen?

In 1920, only one in 500 families in the US had a radio, so Sarnoff also rigged up more than 40 other venues, from Times Square to movie theaters across the country to receive the live broadcast.

No one had ever broadcast a live event, or even a sporting event on this new thing, the radio. No one really knew what to do with it. Sarnoff took a totally blind shot.

97 year later, KSI and Paul Logan not only boxed live in Manchester, but also decided to live stream their boxing event on YouTube and charge for it, in a kind of Internet Pay Per View. Would anyone pay?

In America, in 1921, the entire country came to a halt to listen to the Dempsey-Carpentier fight. Dempsey, by the way, won on a knock-out, but Sarnoff and America really discovered the radio. Within 5 years, almost every home in America had radio.





Online, more than 800,000 people paid \$10 each to watch the KSI-Logan fight. It was a draw. But it was really a win for Logan, KSI (who will have a re-match) and the Internet. It was a loss for TV and ESPN. Thanks to YouTube, KSI and Logan were able to bypass conventional broadcast networks and take in some \$8 million on their own. What they can do, so can anyone else.





How to Create Content



Content is the very heart of any network or channel. The better, the more interesting, and the more compelling your content, the more people you are going to have on your channel, and the more income you will derive from it – from a wide variety of potential revenue streams. (More on this later).

The incredible power of the iPhone or Smartphone means that anyone can now create perfect broadcast quality video content on their own.

If you want to learn how to do this, I strongly suggest you check out all the shooting, editing and storytelling video lessons on <u>TheVJ. com</u>



Once you have mastered the skills, (which will not take long), what kind of videos and what kind of content should you be making?

The essence of video content that is going to grab people and hold their attention is based on great storytelling. The ability to tell a great story.

Needless to say, every piece of video you put up on your network must be technically perfect. This goes without saying. But in a world of quite literally millions of video voices competing for people's time and attention, technically perfect is simply not enough. You may want to start a Travel Channel, but even the most beautifully shot video of the Eiffel Tower is not going to hold anyone's interest.

In the world of the web, you can find as many videos of the Eiffel Tower as you like. Why should someone come to yours?





What you have to offer is:

- 1. Unique information or stories. That is, content that cannot be found elsewhere.
- 2. **Great storytelling.** Grabbing and holding someone's attention is not about delivering a string of facts, it is about telling a compelling story. What makes a compelling story? <u>Characters plus an arc of story</u>.
- 3. You. Your channel should be, more than anything else, about you (or someone else), but a singular personality with whom people can identify, relate and like to spend time with. 'You' is certainly something unique. No one else can offer 'you', and you have 'you' available all the time to create content.







One of the greatest mistakes that people make when moving into the world of online video is that they become obsessed with delivering 'reports' or 'documentaries' or 'facts'. This is a mistake. Is the Encyclopedia Britannica on the New York Times Best Seller List? I think not, even though it is certainly filled with important facts. What people want in their video, more than anything else, is to be entertained. They want a good story.

What does this mean?

Let's look at a relatively simple example:

A Real Estate Channel.



Real Estate – either buying or selling, or rentals, or even advertising your Airbnb, is a real business, and video can certainly help. In the 'olden days' of real estate, people would advertise their house for sale (for example) in text in what was called classified ads in the newspaper. These were turgid bits of text, limited because you paid by the word. A typical classified ad for a house might look like this:

FOR SALE: 2BDR COLONIAL, 2BA, EIK, WFP CAC, WIC, 2CG, \$125,000

What that says, for the uninitiated, is For Sale, Two bedroom Colonial style house. Two Bedrooms, two baths, Eat in Kitchen, wood burning fireplace, central air conditioning, walk in closet, two car garage, \$125,000.

In a world of print, that was the best you could do, and hard to believe now, that kind of ad actually sold houses.

When real estate brokerages moved to the Internet, they started to run ads with photographs, and today, you would not only not go to visit a house for sale without a lot of photos, you would probably never even bother to look at a listing without a photo. In fact, you would think that the house must be pr terrible not to have any photos. Cross that one off my list.



When the web began to be able to carry video, that is, with the advent of broadband, real estate brokerages dipped their toes into video, but badly. Even today, most videos on real estate websites are nothing but a bunch of still photos set to music. Terrible!

But if you were a realty company and you wanted to start your own Joe's Realty Company Channel, what kind of video would draw a crowd? The answer to that question is right in front of you, on your TV set. The most popular TV channel in America today is HGTV, and the singularly most popular show on HGTV is a show called House Hunters. Now in its 19th season, the show last year commissioned an amazing 447 new episodes, for just one season! If you have not seen it, a couple is in search of a new home. A real estate broker shows them three houses. They pick one. The end. It has all the great elements you need – characters plus arc of story.

The premise is remarkably simple, but also compelling. Everyone (Lisa and I included) sit and watch this thing and close to the end, we always say 'they're going to get house #2. No, it's going to be #3. British TV does something very similar with a series called Escape To the Country, also vastly popular.



If you are in real estate, how hard is it to create your own local version of House Hunters, or Escape To The Country? The answer is, not hard at all. Just find a couple that is looking for a house, show them three. Tension mounts. Will they buy #1, #2 or #3 – or maybe none of the above. ANYONE can do this.

If HGTV can get millions to watch – the show gets an astonishing 25 million viewers per month, then you can get a 'viewership' in your local community as well.

There is no reason you cannot do what HGTV does, and frankly for a better end result (for you). HGTV is not in the business of selling houses. You are!

Do you start to get the idea here?

Now, you may not be in the real estate business. Maybe you own a home redecorating or refurbishing business. Ever see Fixer Upper, also on HGTV? A couple restores old houses. Check it out. Your day-to-day life is someone else's adventure to watch.

The fact is that creating compelling content (with an emphasis on compelling) is now relatively easy to do. All you really need is a smart phone with the right editing app, and an idea. The rest costs nothing but a bit of your time.



How Much Content Do You Need?



If you're still thinking of a TV station or network as a kind of Discovery Channel or your own personal Travel Channel then you should stop right now. Those things are dead in the water as a business model because they are linear. That is, you watch something at 7PM, then another thing at 7:30, then another thing at 8PM, and the content just rolls on and on and on. It's called 'appointment viewing' and it was the way all TV worked (until Netflix came along, more or less).

You can imagine how much content it took or takes to fill up every day. And then there's the next day and then the day after that. It's no wonder that these old school networks employ thousands of people and commission tens of millions of dollars of content. You just have to keep 'feeding the beast'. Forget it!



The miracle of the Internet, or the Digital Network is that everything you put on it lives there forever. It never goes away, (unlike say, a Discovery show that is on at 9PM and gone by 10). Once you make something, you just keep adding it to the treasure trove of your content. The more you make, the more valuable your 'network' is to your viewers. But there is no mandate to keep making 'stuff'. You make it as the mood strikes you, as opposed to 'what are we going to put on at 8:30 on Wednesday?', which is a perpetual cause of anxiety in the linear television world.

There are, in effect, two very different business models competing here. The first is the linear world that we all knew for a very long time. TV networks, but also magazines, newspapers, and pretty much everything else worked on this model. It has been around forever. In essence, it is the 'we make it, you watch it (or read it)' model.

It looks like this: Content is made here → At the top at high costs.

Everyone watches here \rightarrow





In this model, content is made at the top, at very high cost and then is broadcast or distributed to the public (again at great cost), where the public read or watch it.

This model works whether we are talking about The NY Times, NBC or even Bloomingdale's. This has been the standard business model of pretty much everything since forever.

But the Internet blows this up. The web has created an entirely new way of doing business.

Let's take a look at ANY and pretty much EVERY purely Internet business (as opposed to a business like NYTimes.com, which is really an old school model that has been jammed into the web.

Let's look at eBay, as an example. Instead of the pyramid, we are dealing with two rectangles.





Unlike the NY Times, CBS, Bloomingdale's model that you saw previously, this is the model for eBay, Airbnb, Facebook, Instagram, TripAdvisor and the TV channel that you are going to build. It is different.

In any of these, you (and everyone else) puts as much stuff as they can into the top tier. The more 'stuff' you put into it, the better. The more 'stuff' you put into it, the more valuable it is to the people in the bottom tier, which is everyone.

In the linear world, you worry about what you are putting into the store or into the paper or on the cable channel, because you only have a limited amount of 'shelf space', so there is a great deal of agonizing over what 'shows' to commission, or what 'dresses' to buy or what article to put on the front page.

In the non-linear world, it doesn't matter. No one cares if there are old paperclips for offer on eBay. You just look for the stuff that appeals to you. Old paperclips may appeal to someone else.

Your job is to keep putting 'stuff' into the upper tier that will appeal to even a small percentage of your 'viewership'. If some of it doesn't appeal to another part of your viewership, it does not matter a bit. All of it will live on your site forever. This is called the Long Tail. Your 'store' (even if you are only offering videos), is endless.





As a business (as a broadcaster, or now, a webcaster), you want to place yourself as the connection between the content (on the top) and the public (on the bottom). You are the key, the conduit to the content. That's the business.





How to Tap into the Public to Make Them Part of Your Network



Did you ever read Tom Sawyer, by Mark Twain?

If so, do you remember the story of whitewashing Aunt Polly's picket fence?

Aunt Polly has made Tom spend the day whitewashing her fence, when all he wants to do is go down to the river for a swim.



While he's whitewashing the fence, his friend, Ben Rogers comes along and starts to make fun of his having to work. But Tom, clever lad that he is, convinces Ben that in fact whitewashing is so much fun that Ben ought to pay Tom for the chance to do some whitewashing himself. Ben is sucked in, and pretty soon, so is every other kid in town. The whole gang of them are now paying Tom for the privilege of whitewashing Aunt Polly's fence, while Tom can sit back and relax.

Now, let us consider Facebook, with Mark Zuckerberg in the Tom Sawyer role.

If you are on Facebook, (and there are now about 1.9 billion people who are), you are essentially an unemployed worker in Mr. Zuckerberg's factory. You are giving him all the content he needs to keep attracting more and more people to his site, all of whom continue to give him more and more content, also for free. Think of this as a kind of Ponzi Scheme, but in reverse. At no cost whatsoever, he continues to build the value of his site by convincing billions of people to give him content for free, and to be glad to do it.

Genius.



But this fits exactly the model we talked about in part 3. The more 'stuff' you put into the top tier, the more valuable it is to the people in the bottom tier.

Mark Zuckerberg is not alone in this enterprise. Pretty much every successful 'pure' Internet business works more or less in the same way. Do you post photos on Instagram? Do you put videos up on YouTube? Do you have a room listed on Airbnb? Have you sold anything on eBay?

You get the idea?

Now, back to your 'TV station'.

As you recall from Part 1, your job here is to create and own a distinct niche. You can be the go-to place for salt water fly fishing or wooden doll house building. The more you own a specific niche, the more likely it is that your 'network' is going to be a success.

So, let's take a lesson from the Mark Zuckerberg/Tom Sawyer book of Business Management. First, you have to create the space, the site, the network.



Think of that as Aunt Polly's fence. You have to build the fence. This, you will have to do on your own. You are going to have to create a core body of videos based on your brand and your topic. These are going to have to be good enough to attract a core following – an audience.

But once you have gotten your online 'group' together, you should tap into the group to contribute their own content to the station. Why not? There are 3 billion smartphones in the world today. That is 3 billion people who can create broadcast quality video on their phones, edit it and send it to you to share with the world.

You want to become a video producer, a video creator, but also a video publisher.

Why will people feed your site with their own work and generally for free? I have no idea, but I think it has a lot to do with human nature. We like to make our mark, to be seen, to be recognized, to participate. It's the same thing that motivates people to spray paint their names on highway overpasses at great risk of their lives and for no compensation. It simply says 'here I am. I exist'.



If you go to the Temple of Dendur at the Metropolitan Museum of Art in New York, you can see the name of Roman soldiers who scratched their own graffiti on the walls of the Temple some 2,000 plus years ago. This notion of leaving a mark is very human and very old.

Tap into it.





How Can You Make Money with Your Network?



Now we come to the part where the rubber meets the road.

If you can't make any money with your 'network' or 'station' (as you can see, these things are really a totally new media animal. Let's call them ODN, or Online Digital Networks). If you can't make any money with your ODNs, then you are wasting your time.

How do you make money with them?



I can tell you how you do not make money with them, and that is through selling ads.

First, selling ads is a lot of work. Second, unless you have stratospheric numbers, no one is going to want to buy any of your ads. Third, ads annoy people anyway, particularly video pre-rolls. And the last thing you want to do is to annoy your viewers.

So, how do you make money with your ODN.

There are several ways:

 The best use of an ODN is enhance an existing business. Thus, if you own a garden shop, for example, you can create a kind of mini 'Gardener's World' (a very popular TV show on The BBC), to bring an audience to your site for a purpose – to be informed and entertained. If you have a bakery, you can create your own mini version of The Great British Bakeoff or Master Chef (there are dozens of food related shows from which to choose). As I have discussed previously, the idea here is to create and own a niche that a) you know quite well and b) that will appeal to a number of people who share a similar interest.



2. If you have a specific area of expertise – say Drone Flying or Salmon Fishing that is not specifically tied to a business that you own, then you should create a 'product' that is related to the content that you are making. For example: Let's say that you are an employee for a big company, but your own personal hobby is Drone Flying, and you are pretty good at it – it's your passion (as opposed to your job, which just pays the bills), then it is going to be easy (and fun) for you to create an ODN around your weekend hobby of flying drones. You build the ODN, you populate it with videos you have made, and pretty soon you have built what I would call an Online Affinity Group – people of the same interest as you.





This is all great, but how do you make any money out of this model? To make money, you need to have a product that you can sell – a physical product. In the drone example, I would recommend that you create a real, printed physical handbook – The World Guide To Flying Drones. Now, as it happens, between your laptop and your local printer, this will not cost a lot to turn out. But now you have something to 'sell' – something real. Don't hesitate to offer it. You can sell it right on your ODN.

Maybe you can create training classes that people can come to (or you can go to their town). We have had great success in running our video bootcamps that are tied to our online video school. Have 20 people show up and pay \$50 each (that is not unreasonable), and you have made \$1000 for a day's work.





3. Membership and Subscription.

This is the most difficult, but can be the most rewarding remuneratively, of the three models. Once you have an established ODN and a loyal following, it is possible to create what we would call a freemium model. That is, part of your network is free to view for anyone, but part of it sits behind a paywall that is only open to members or subscribers.

You have to be pretty far along to do this, but it does work. See how newspapers and magazines are gradually adopting the freemium model themselves. In the long run, if there's no revenue, there's no content. No one wants to keep doing this forever for free.

However, if you can, over time, build a fairly substantial and robust following, you can entertain the idea of a monthly subscription. But you have to have some pretty good and unique content, and in a sense, you have to declare yourself the 'world expert' in something – even wooden boat building or salt water fly fishing.



If you can pull this off (and that's a big if), this model can provide you with a nice revenue stream. Let's say, just for argument's sake, that you are able to get 2,000 paid subscribers to your ODN, each paying a very modest \$4.95 a month (this is reasonable, I think), then you can look forward to earning \$118,800.00 a year. Not bad. Get 20,000 members and you are over a million a year. As there are some 3.5 billion people online, it's difficult, but hardly crazy.

4. Own Your Site!

Whatever you do, you want to own your own site. That is, you want to build your own ODN site. (It's easy to do. There are lots of simple to use softwares like Wordpress that are plug and play). You want to keep your content for yourself.

What you do NOT want to do is to create a 'channel' on YouTube or Facebook or Instagram (such as it is).

What you DO want to do is to use social networks like Facebook or Instagram or Snapchat to drive traffic to your site and your ODN. Post videos every day (or every hour if you have the time) on FB or Instagram or Twitter, but don't give away the store there. Just use those platforms to create and enhance your following. But in the end, you want to bring them home.



Many years ago, Jan Stenbeck, a Swedish billionaire and a business partner gave me the best advice I ever got, so I pass it on to you.

He said to me, 'what do you do?

I said, I am a video journalist."

"No!" he responded, "you are the world expert in video journalism."

I said I was not so sure that was true.

He got angry (which he often did – billionaires!) and raising his voice he said, "from now on, you are the world's expert in video journalism. Let other people say you are not."

So I took his advice, and wherever I went, I told people 'I am the world's expert in video journalism', and, after a few years, I was... or at least people thought so.

And paid for it.



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